

## **Malaysia for IMO Council 2005**

Malaysia made a big impression at the recently concluded 24<sup>th</sup> Regular Session of the International Maritime Organization Assembly. The Assembly which was held from 21 November to 2 December 2005 was attended by 153 member States, 2 observer States and more than 20 observer organizations. The highest authority of the IMO sits every two years to, among other things, make policy decisions on the direction that IMO should be heading and to endorse the activities of the IMO over the period of two years since the previous meeting of the Assembly. The highlight for many States of the two weeks biennium meeting is the election of the new Council members of the IMO, which is usually done on Friday of the first week.

Malaysia had submitted its candidature to run for election for one of the seats in the Council under category C. This was significant because for the very first time since joining the IMO in 1971 Malaysia made this bid for Council. Even more significant, for a first timer Malaysia succeeded in getting elected by a considerable number of votes. Malaysia obtained 103 votes which was the seventh highest among the States running under category C. This number of votes represented 71% of those present or 62% of the total IMO States members. This was also the highest number of support for a new comer into the Council. This result clearly underlined the support that Malaysia has in the Organization, which puts it in good stead.

It is important that this point is clearly understood. After all the hard work exerted to succeed in the Council election, even more hard work awaits Malaysia as a newly appointed Council member. With the high number of votes that Malaysia received come an equally high level of expectation. Not least from 102 other IMO member States, which have put their trust and hope in Malaysia in steering the esteemed organization? It shall be much to Malaysia's credit and benefit if this is quickly absorbed and the first step to the hard work ahead is quickly taken.

But first, let us ask why is it that IMO members States clamour for the chance to be in the Council. Come every election year, huge resources and effort are not spared by member

States to ensure that they are elected to the Council. Why is it so important to be in the IMO Council that member States give their every focus and attention at every IMO Assembly? What are the rewards or benefits? To understand this, one must understand how the governing body of the IMO is set up and how IMO goes about doing its business.

The Council is the executive organ of IMO and is responsible, under the Assembly, for supervising the work of the Organization and coordinating the work of the Committees. Between sessions of the Assembly the Council performs all the functions of the Assembly, except that of making recommendations to Governments on maritime safety and pollution prevention issues. Indeed next to the Assembly the Council is the highest decision making body of the IMO. It sits more often and has the first look at all matters before they are sent to the Assembly. Among others this includes the approval of work programme and budget of the IMO. Then of course there is the prestige of such a position. Council members are held in high regard by others in the organization and are always looked upon to lead in solving any problems in the deliberations of the IMO. Perhaps this is what it is all about; Council members get and is expected to lead the rest in the IMO. The opportunity to be among the elite leaders of members in the IMO is most coveted and worth all the hard work. Such a position is also held in high esteem by those in the industry which adds to the prestige.

So what lies ahead for Malaysia as life as a Council member beckons for the next two years at least? In order to make a lasting impact much can be done actually. Not least participating actively and continuously in all of IMO's programmes and activities should be high in the priority list. There is really no point in making our presence felt during the election week of the Assembly and be absent for the rest of the two years. This will simply not work if we are seeking a long and uninterrupted presence in the Council. Then of course when we are there at the meetings and activities of IMO we have to play the leader's role. This will involve not only playing an active and constructive part in the many debates in IMO but also in the other aspects. We will be expected to lead in the implementation of IMO conventions and instruments. This is clearly fundamental as it reflects the belief and conviction in what IMO is all about. In essence the very establishment of the organization was to ensure there is an international body that regulates the uniformity of laws and

standards for international shipping in order to facilitate trade between nations. This remains the main tenet of the IMO to this day and often held to be sacred by many. Thus it will only do much good for Malaysia if we take effective measures to implement the conventions that we are already a party and to take on board, where appropriate, those that we are not yet a party to. Clearly an examination of the legislature part of the implementation of IMO conventions must figure highly in our “to do” list.

The need for effective implementation of IMO conventions becomes even more pressing in view of the code for the implementation of mandatory IMO instruments and the voluntary audit scheme that is already underway. Here again as a council member Malaysia will be expected to be at the front of the voluntary scheme. We will have to be prepared to undertake the voluntary audit as early as is possible to underline our support for such scheme.

Apart from the role of the maritime administration in espousing the cause of IMO, in Malaysia's case the Marine Department, the industry will also have a role to play. It will be most helpful for Malaysia's continued presence in the Council if the Malaysian fleet is well respected in terms of its compliance and adherence to all of IMO conventions and instruments. Here, close working cooperation between the industry and the authority will go a long way towards achieving this aim.

Against all these obligations and burdens one may ask, why then did Malaysia go for the IMO Council? Why was it so important that we had to work hard to ensure election into the administrative arm of the IMO? We may only find the answer by looking into the big picture.

It is a well recognized fact that Malaysia's huge external trade is almost entirely transacted by water. Some say at least 95% of our import and export is seaborne. In monetary terms this amounts to more than RM660 billion or US\$170 billion annually, which is a large sum of money. Indeed this represents almost the entire livelihood of Malaysia's economy. It is thus not a question for us not to effectively regulate the shipping industry. In fact it is imperative that we must do it effectively and efficiently. We must ensure that shipping

services continue to be safe and secure and that they do not harm the marine environment. The breakdown of this all important service will surely have a detrimental impact on our economic growth. It is with this reason that Malaysia must not only drive for Malaysian ships to carry Malaysian cargo but that these ships are safe and comply to quality shipping. On top on that we will have to also ensure that all other ships that carry Malaysia's cargo are equally in compliance to international safety standards.

It is also worth noting that while Malaysia does not represent the giant of international shipping, we do have a reasonably sized fleet. The latest statistics released by Lloyd's Register of Shipping ranked Malaysia at number 18 in terms of ship tonnage, of slightly above 6 million gross tons. More significantly Malaysia is among the leaders in the oil tanker and LNG sectors. Should the shipping sector continue to register growth, it is not unreasonable for Malaysia's shipping tonnage to touch the 10 million gross tonnage mark. With the high capital outlay in ship investment and equally high risk involved in ship operations it is only sensible that careful management of the shipping sector is called for. In technical terms, one of the best ways to do this is through the application of internationally accepted standards promoted by IMO.

Malaysia is of course geographically a maritime nation where it is almost entirely surrounded by water. Its sea area is in fact significantly larger than its total land area. Malaysia's maritime zone comprises of its internal waters, territorial sea and exclusive economic zone. In addition, its vast continental shelf provides an important source of seabed resources, particularly oil and gas. This is hugely important as oil and gas is now the main driving force of our economy. Malaysia is by all accounts a flag State, a port State and a coastal State. The efficacious management of its maritime zones will and must be a prime agenda if Malaysia is to continue to gain prosperity from its vast marine resources and maritime activities.

Then there is the Straits of Malacca, arguably the busiest strait in the world. The fact that the Strait is right in front of our front door is compelling enough reason for us to do something. That the Strait now bears 25% of world trade and 50% of the world's oil trade are even stronger reasons for our proactive action and not surprisingly the high level of

interests shown by many users. It is important that Malaysia and other littoral states not only take the required actions to ensure the continued safe and secure use of the Straits but that those actions must be seen to be taken. Users are short of demanding for the Straits to be continued to be opened for the facilitation of international trade; and that it is safe and secure for the movements of their vessels and goods. It is also in the long term interest of the littoral States that this continues to be so as the Straits have been for centuries.

For reasons that are briefly penned above it is clear that Malaysia must play an important role in shipping and maritime matters. There is really no alternative. The present and future well being of the country and its economy is contingent upon this. Indeed we must do it well and the best way is to lead from the front, where we will be involved in determining the direction and the state of international shipping and maritime affairs. We can only do this best by being among the policy makers of international shipping and maritime affairs that is in the IMO Council.

As a new comer, in fact a first timer, Malaysia's success in the recent election of members of the IMO Council is laudable. Most importantly it signals a strong acceptance to Malaysia's presence in the high echelon of IMO. The 103 votes that Malaysia obtained put it high in the rank of category C members. Under category C, 20 member States of IMO which have special interests in maritime transport or navigation, and whose election to the Council will ensure the representation of all major geographical areas of the world must be elected. Category C now comprise of Singapore, Egypt, Cyprus, Malta, Portugal, Australia, South Africa, Philippines, Bahamas, Turkey, Denmark, Mexico, Indonesia, Thailand, Saudi Arabia, Belgium, Chile, Algeria, Kenya and Malaysia. Meanwhile category A members represent 10 States with the largest interest in providing international shipping services and category B members represent 10 States with the largest interest in international seaborne trade. The 20 members of categories A and B are China, Greece, Italy, Japan, Norway, Panama, Republic of Korea, Russian Federation, United Kingdom, United States, Argentina, Bangladesh, Brazil, Canada, France, Germany, India, Netherlands, Spain and Sweden.

Looking at the list of countries representing the IMO Council for the next biennium, Malaysia is in fine company. With the vast experience present, it is only for Malaysia to

seize this golden opportunity to be among the elite policy makers of international shipping. Malaysia's performance and the rest of the members of the council will be watched and assessed by other members who have placed high hopes and expectations in this small group. For Malaysia failure is not and cannot be an option.

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